

MOTION BY SUPERVISOR DON KNABE

November 15, 2011

On April 30, 2002, under the authority of Section 25365 of the Government Code, this Board approved an Option Agreement with the City of Norwalk Redevelopment Agency to construct a judges parking structure (Parking Structure) on both County and City of Norwalk Property to serve the Norwalk Courthouse. The Parking Structure would provide Superior Court judges with the safety of an enclosed parking space in addition to a secured walkway to and from the Norwalk Courthouse.

Upon completion of the Parking Structure project, the County would have the option to purchase the improved property, in part through the transfer to the Agency of certain nearby County-owned property, identified as a portion of APN: 8047-006-921 (County Parcel), and through a cash payment for the remaining balance of the purchase price.

Since the original approval of the Option Agreement by this Board in 2002, both the County and the City have agreed to several amendments to the Agreement in the

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KNABE _____

ANTONOVICH _____

Interest of completing the project, and ultimately entered into a new Option Agreement, approved by this Board on May 19, 2009.

The previous option term was defined as a period of 45 days following substantial completion of the Parking Structure by the City or 545 days from the date the Option Agreement was approved by this Board, whichever was shorter.

At this time, the parking structure is near completion, as evidenced by the issued Certificate of Occupancy. According to the City however, the completion date will not occur by the previously approved option termination date of November 15, 2011. The Agency needs sufficient time to complete the project and work through labor contracting issues with the City's general contractor and subcontractors. Following completion of the project, the County will need sufficient time to exercise its option to acquire the Parking Structure. It is therefore requested that this Board delegate authority to the CEO to enter into an amendment to the Option Agreement to extend the option term to May 25, 2012, and to exercise the County's option and take all actions necessary to acquire the Parking Structure with no mechanic liens encumbering the title to the Parking Structure in compliance with the terms of the Agreement.

Upon exercising the County's option to purchase the Parking Structure property, the purchase would be funded by the transfer to the Agency of the County Parcel currently used as a parking lot and \$657,130 to be paid from the total Project and Facility Development Budget (PFDB) of \$677,000. The fiscal impact would be dependent on the actual amount expended by the Agency to complete the improvements. In the event of an increase in construction costs, the purchase price for

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the property will be increased to reflect the additional costs. As stated in the Option Agreement, any increase in construction costs will be allocated to the County at 60 percent and to the City at 40 percent, and any decrease in construction costs will decrease the County's purchase price for the Parking Structure property by 100 percent of the decrease in costs. In the event construction costs increase more than the amount currently allocated in the PFDB, the PFDB will be supplemented from Fourth District Capital Project Funds. Construction costs in excess of five percent (5%) of the budget require further approval by the parties.

This Board has previously authorized the transfer of title to the Parking Structure to the State of California, along with the Norwalk Courthouse, upon completion of the County's acquisition of the Parking Structure, pursuant to the Transfer Agreement for the Norwalk Courthouse approved by this Board on November 18, 2008.

I, THEREFORE, MOVE THAT THE BOARD OF SUPERVISORS

1. Authorize the CEO to enter into Amendment No. 2 to extend the option term of the Agreement for the County to exercise its option to acquire the Parking Structure for a period of six months from November 15, 2011 to May 15, 2012.
2. Authorize the CEO to execute any other documents necessary to complete the exchange upon approval as to form by County Counsel.

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DK:di